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Attorneys for Plaintiff  
COPART INC.

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
OAKLAND DIVISION

COPART INC.,

Plaintiff,

vs.

CRUM & FORSTER INDEMNITY  
COMPANY, UNITED STATES FIRE  
INSURANCE COMPANY, and DOES 1-10,  
Inclusive,

Defendants.

AND RELATED COUNTERCLAIM

Case No. C 07 2684 CW-EDL

**E-FILING**

**DECLARATION OF ERIC K. LARSON  
IN SUPPORT OF PLAINTIFF  
COPART, INC.'S MOTION FOR  
PROTECTIVE ORDER**

Date: June 10, 2008

Time: 9:00 a.m.

Place: Courtroom E

Hon. Elizabeth D. Laporte

Action Filed: March 20, 2007

Trial Date: November 10, 2008

I, Eric K. Larson, declare as follows:

1. I am an attorney at law duly admitted to practice before this Court and am an associate at Pillsbury & Levinson, LLP, attorneys of record herein for plaintiff Copart, Inc. I have personal knowledge of the facts set forth herein and could competently testify thereto.

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2. Attached hereto as **Exhibit A** is a true and correct copy of a March 26, 2008 letter from Samuel H. Ruby of Bullivant, Houser and Bailey, attorneys for defendant United States Fire Insurance Company ("USFIC") enclosing USFIC's First Set of Entry (Site Inspection) Requests.

3. Attached hereto as **Exhibit B** is a true and correct copy of my April 11, 2008 letter to Judith A. Whitehouse of the Bullivant firm addressing various discovery issues, including the site inspection requests, in which I note that the site inspections are "burdensome and intrusive and have no discernable relevance," and request a discussion regarding "whether there is a compromise solution." Specifically, I ask "how USFIC could have suffered any damages that are not speculative, contingent or, really, imaginary since USFIC has never come out of pocket any money to Copart."

4. Attached hereto as **Exhibit C** is a true and correct copy of the Court's April 14, 2008 order extending certain discovery deadlines on the condition that further "requests for production/inspection" not be served.

5. Attached hereto as **Exhibit D** is a true and correct copy of an April 15, 2008 letter from Mr. Ruby that addresses the issue of site inspections.

6. Attached hereto as **Exhibit E** is a true and correct copy of my April 18, 2008 letter in which we propose to produce to USFIC "a lengthy document called Construction in Progress Completed Projects that will show for each yard from January 1, 2000 to January 31, 2007 the date, vendor name, explanation and amount for each invoice paid that relates to construction and renovation." That report has, in fact, been produced, and three exemplary pages from the report (regarding Yard 70) are included with Exhibit E. The dollar amounts have been redacted since the dollar figures are not germane to this motion and they are confidential. The version produced to USFIC has no redactions.

7. Attached hereto as **Exhibit F** is a true and correct copy of an April 28, 2008 letter I received from Mr. Ruby in which he indicates that USFIC will not withdraw its request for site inspections and gives as the stated justification for the site inspections, the following reasoning: ["S]ite inspections would allow USFIC to confirm the construction type, square

1 footage, and other features of the properties. That information, coupled with information about  
 2 prevailing construction costs in 2003-2006, would enable USFIC to determine what it would  
 3 have cost to replace the properties during that timeframe. Discrepancies between those true  
 4 replacement costs, values and the values that Copart *reported* to USFIC in 2003-2006 will  
 5 support USFIC's counterclaim for negligent misrepresentation." Mr. Ruby included a second  
 6 set of inspection requests for 8 additional yards, despite the Court's April 14 order prohibiting  
 7 such further requests.

8 8. Attached hereto as **Exhibit G** is a true and correct copy of my April 29, 2008  
 9 letter in response to Mr. Ruby's April 28, 2008 letter. In that letter, I note that USFIC has  
 10 failed to respond substantively to Copart's objections to the site inspections. Nevertheless,  
 11 Copart offers to make available, as it had on April 18, the Construction in Progress Completed  
 12 Projects document. I also note in this letter that the 2<sup>nd</sup> set of inspection requests are prohibited  
 13 by the Court's April 14 order and ask that they be withdrawn.

14 9. Attached hereto as **Exhibit H** is a true and correct copy of a May 1, 2008 letter  
 15 from Judith Whitehouse to me in which she argues that the phrase "requests for  
 16 production/inspections" does not cover site "inspections." It was USFIC that had insisted on a  
 17 prohibition of further written discovery requests as part of the Stipulation to extend deadlines,  
 18 and I had, in fact, added the word "inspections" to the stipulation to cover exactly this situation  
 19 since the first set of inspection requests had already been served.

20 10. Attached hereto as **Exhibit I** is a true and correct copy of plaintiff Copart Inc.'s  
 21 objections to defendant USFIC's First Set of Entry (Site Inspection) Request served by Copart  
 22 on April 22, 2008.

23 11. Attached hereto as **Exhibit J** is a true and correct copy of the transcript of the  
 24 hearing on January 15, 2008 before Judge LaPorte on a motion to compel by USFIC.

25 12. Attached hereto as **Exhibit K** is a true and correct copy of an exemplary page  
 26 from the June 28, 2007 Statement of Values form submitted by Copart to USFIC that reflects  
 27 the COPE information (Construction, Occupancy, Protection, Exposure) given for each of  
 28 Copart's Yards.

13. Attached hereto as **Exhibit L** is an exemplary two pages (pertaining to Yard 70) from the 2005 Fixed Asset List produced by Copart. Again, dollar figures have been redacted only on this copy filed with the Court.

14. In the event that the site inspections were allowed to go forward, I would need to attend those inspections on behalf of Copart to monitor the activities of the unnamed "consultants" at the selected yards, and to protect Copart's interests during the discovery procedures. Including travel time, I conservatively estimate that the hours necessary to be incurred in this task would be as follows:

<b>Yard Number</b>	<b>Location</b>	<b>Number of Hours</b>
Yard 59	San Diego, CA	6 hours
Yard 118	San Diego, CA	6 hours
Yard 34	Riverview, FL	18 hours
Yard 1	Vallejo, CA	5 hours
Yard 78	Martinez, CA	5 hours
Yard 86	Fort Pierce, FL	18 hours
Yard 2	Sacramento, CA	6 hours
Yard 119	Sacramento, CA	6 hours
Yard 7	West Palm Beach, FL	18 hours
Yard 33	Opa-Locka, FL	6 hours
Yard 4	Fresno, CA	8 hours
Yard 5	Bakersfield, CA	8 hours
Yard 6	San Martin, CA	8 hours
Yard 7	Colton, CA	8 hours
Yard 10	Los Angeles, CA	8 hours
Yard 43	Van Nuys, CA	8 hours
Yard 42	Jacksonville, FL	18 hours

Yard Number	Location	Number of Hours
Yard 55	Orlando, FL	18 hours
My hourly rate on this case is: \$350		182 hours

15. I estimate that the attorneys fees incurred in attending these sites inspections and excluding travel costs (mileage, hotel, airfare), as a conservative estimate, would be \$63,700.

I declare under penalty of perjury under the laws of the State of California, United States of America that the foregoing is true and correct, and that this Declaration was executed on May 13, 2008 in San Francisco, California.

Dated: May 13, 2008

/s/ Eric K. Larson  
Eric K. Larson

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